Please ask for: Mr M. Berry  
Your Ref:  
Extension No: 4589  
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15 January 2014

Dear Councillor,

ECONOMIC DEVELOPMENT AND PLANNING POLICY DEVELOPMENT COMMITTEE  
4.00 P.M., THURSDAY 23 JANUARY 2014  
ESPERANCE ROOM, CIVIC CENTRE, CANNOCK  

You are invited to attend this meeting for consideration of the matters itemised in the following Agenda.

Yours sincerely,

S.G. Brown  
Chief Executive

To: Councillors

Todd, R. (Chairman)  
Gamble, B. (Vice-Chairman)  
Anslow, C.  
Alecott, G.  
Davies, D. N.  
Dixon, D.I.  
Kraujalis, J.T.  
Stretton, Mrs Z.P.  
Sutherland, M.
AGENDA

PART 1

1. Apologies

2. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

   To declare any personal, pecuniary or disclosable pecuniary interests in accordance with the Code of Conduct and any possible contraventions under Section 106 of the Local Government Finance Act 1992.

3. Community Infrastructure Levy: Draft Charging Schedule

   To consider responses to the recent consultation on the above (Item 3.1 – 3.9)


   To consider responses to the recent consultation on the above (Item 4.1 – 4.9)

5. Assisted Areas Map 2014 – 2020

   To consider responses to the recent consultation on the above (Item 5.1 – 5.3)
Cannock Chase District

Community Infrastructure Levy

Preliminary Draft Charging Schedule for Consultation

November 2013
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Stages in Production of a Charging Schedule</td>
<td>1</td>
</tr>
<tr>
<td>The CIL viability test- Regulations and Guidance</td>
<td>2</td>
</tr>
<tr>
<td>Evidence</td>
<td>2</td>
</tr>
<tr>
<td>Setting the CIL rate</td>
<td>4</td>
</tr>
<tr>
<td>Proposed CIL rates</td>
<td>4</td>
</tr>
<tr>
<td>Planning Obligations</td>
<td>4</td>
</tr>
<tr>
<td>How will CIL be spent- Regulation 123 List</td>
<td>5</td>
</tr>
<tr>
<td>Payment Processes and Exceptional Circumstances</td>
<td>5</td>
</tr>
<tr>
<td>How to Respond to this Consultation</td>
<td>6</td>
</tr>
<tr>
<td>Annex 1- Map of Cannock Chase District</td>
<td></td>
</tr>
</tbody>
</table>
1 INTRODUCTION

1.1 The Community Infrastructure Levy (CIL) was introduced by Regulations in 2010 as a potential new source of funding for infrastructure that Local Authorities can choose to raise to support new built development proposed in a Local Plan in order to achieve sustainable development. Infrastructure is defined in the Regulations as including roads and other transport facilities, flood defences, schools and other education facilities, medical facilities, sport and recreation facilities and open spaces.

1.2 Most new development relies on infrastructure in some form or other, even where this is a consequence of the cumulative impact of a large number of small developments. Prior to the introduction of the Regulations, funding of infrastructure, the need for which arises from new development, has largely been delivered from a small number of major schemes where planning obligations (Section 106 agreements) have been completed prior to the grant of planning permission. CIL is a fairer way of obtaining funding for infrastructure from all development, subject to taking account of impact on viability.

1.3 In order to introduce CIL the Council needs to have –
   - An up-to-date Local Plan setting the planning policy context for the amount and location of new development proposed within the District (anticipated to be in place by spring 2014).
   - Evidence from the Infrastructure Delivery Plan (IDP), which accompanies the Local Plan that there is a need for some funding for the necessary infrastructure to be provided from CIL.
   - Approval of the proposed charging rates following an independent examination where the main issue to address, other than the need for CIL funding, is impact on viability of development.

1.4 This consultation on a Preliminary Draft Charging Schedule provides the first opportunity for people to comment on the Council’s proposals for setting CIL charging rates.

2 STAGES IN PRODUCTION OF A CHARGING SCHEDULE

2.1 The CIL Regulations set out the processes that authorities must follow, in addition to having an up-to-date Local Plan, before a Charging Schedule can be adopted. These are –
   - Collect appropriate available evidence.
   - Consult on a Preliminary Draft Charging Schedule (PDCS) – current stage.
   - Taking account of comments on the PDCS consult on a Draft Charging Schedule (DCS).
   - Submit the DCS together with the representations made on it for independent examination, which may include a public hearing.
   - Examiner produces report which may recommend that the Charging Schedule can be approved, approved with modifications or rejected.
   - Provided that the Council is able to move the Charging Schedule (CS) forward, with or without modifications to deal with matters raised in the report, adopt by resolution of the Full Council.
3 THE CIL VIABILITY TEST – REGULATIONS & GUIDANCE

3.1 The economic viability test is articulated in Regulation 14 of the 2010 Regulations –

“In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between –

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.”

3.2 The National Planning Policy Framework (NPPF) states at paragraph 175 that CIL should support and incentivise new development.

3.3 The latest CIL Guidance (DCLG April 2013) advises that in setting levy rates charging authorities should take into account other development costs, “including those relating to policies on planning obligations in the Local Plan (in particular those for affordable housing and major strategic sites)”. Charging rates should not be set “right up to the margin of economic viability across the vast majority of sites in their area”.

4 EVIDENCE

4.1 The Council has commissioned two reports to provide evidence to establish both the impact on development viability of Local Plan policies and to propose potential CIL charging rates in this context. Both were used as evidence to support the Council’s submitted Local Plan (Part 1- currently under examination) the hearings into which took place between 24th and 27th September 2013.

4.2 The main Local Plan (Part 1) policies which impact on development viability are CP2 Developer Contributions for Infrastructure, CP5 Social Inclusion and Healthy Living, CP7 Housing Choice, CP10 Sustainable Travel, CP13 Cannock Chase Special Area of Conservation and CP16 Climate Change and Sustainable Resource Use. The Submission Local Plan (Part 1- with proposed main modifications subject to consultation until the 18th December 2013) is available to view and download online from the Council’s website www.cannockchasedc.gov.uk/planningpolicy (CIL consultation pages) or on request to the Planning Policy team (contact details provided below).

4.3 Taking account of these policy provisions the first report “Economic Viability Assessment of Future Development of Affordable Housing in Cannock Chase” Adams Integra, updated in August 2013 recommends a CIL charging rate of £40 per square metre for residential development across the District in the context of a 20% target for affordable housing.

4.4 The second report also by Adams Integra “Community Infrastructure Levy Non-Residential Viability Report” August 2013 recommends charging £60 per square metre for foodstores of supermarket and superstore scale and retail park developments. A nil rate is proposed for all other forms of development.
4.5 These documents are available to view and download from the Council’s website www.cannockchasedc.gov.uk/planningpolicy (CIL consultation pages) or on request to the Planning Policy team (contact details provided below).

4.6 The Infrastructure Delivery Plan (IDP) May 2013 identifies a funding gap which CIL could potentially go some way towards addressing for the following broad categories of infrastructure—

- Local highway and other transport improvements.
- Flood prevention.
- Public realm improvements to town centres.
- Open space, sport and recreation facilities.
- Mitigation of impact of new housing development on the Cannock Chase Special Area of Conservation.
- Investment in conservation of heritage assets.
- School buildings.
- Community and cultural facilities.

4.7 The IDP currently identifies indicative costs for a range of infrastructure items and projects which are likely to be funded from CIL. These costs, and the items where costs are currently unknown, will be explored and refined further prior to the publication of the Draft Charging Schedule. The indicative costs suggest funding gaps of approximately £5million (at least) for transport related items (excluding the Hatherton Branch Canal project); £4million for indoor and outdoor formal sports and recreation provision; and £850,000 for flood prevention at Rugeley town centre. Whilst the extent of the funding gap is not yet defined there are also estimated costs of approximately £2-4million for the Cannock Chase Special Area of Conservation mitigation measures which is an item of infrastructure that is critical to delivery of the Local Plan (although this cost is across the Cannock Chase SAC Partnership area, encompassing several local authorities). Funding gaps (where costs are currently unknown) are also most likely to arise in relation to education provision, informal recreation/open space provision and public realm improvements.

4.8 The IDP is available to view and download from the Council’s website www.cannockchasedc.gov.uk/planningpolicy (CIL consultation pages) or on request to the Planning Policy team (contact details provided below).

4.9 If the CIL charges proposed at paragraph 6 below are implemented it is estimated that receipts from residential development over the remainder of the plan period could generate between £3.4 and £4million. This is on the basis that approximately 1,000 and 1,200 dwellings will come forward through the planning application process between September 2014 (the likely adoption date for CIL) and March 2028 (an average dwelling size of 85 square metres is assumed and 20% affordable housing on sites of 15 dwellings or more is discounted). It is very difficult to predict the amount of new retail development in the District over this period. It is not anticipated that there will be any new schemes within the categories proposed until after 2017/18. A net new floorspace of 25,000 square metres within the categories of retail development proposed for charging would generate receipts of £1.5 million.
4.10 From these estimates it is apparent that the receipts from CIL will not exceed the potential infrastructure funding gap and other complementary sources of funding will need to be sourced alongside CIL.

5 SETTING THE CIL RATE

5.1 The economic viability reports have tested notional developments at varying CIL rates, considered evidence of impact of policies on planning obligations using actual examples and factored in the target of 20% affordable housing. No significant differences in viability within the main settlements in the District have been identified and therefore no area specific rates are proposed (a map of the area covered by the District is provided in Annex 1). The rates below follow the DCLG advice of not being set at the margins of viability.

6 PROPOSED CIL RATES

Residential C3 - £40 per square metre

Food supermarkets/superstores & retail park developments A1 - £60 per square metre

All other built developments covered by the CIL Regulations – nil

7 PLANNING OBLIGATIONS (agreements and unilateral undertakings under S106 of the 1990 Act)

7.1 There will continue to be a role for planning obligations (S106s), particularly to deliver infrastructure required to enable major developments to be carried out in a sustainable way e.g. highway/transport infrastructure on or near to sites, provision of open space sport and recreation facilities on large scale housing developments. Affordable Housing, which under the Regulations, is exempt from CIL charges, will continue to be delivered via S106 agreements. There will be a more limited role for “pooled contributions” to a specific item of infrastructure, as the Regulations place a limit of no more than five S106 agreements to be used in these circumstances from the date a charging schedule is adopted or from a nationally applicable default date of April 2014 (likely to be extended to April 2015 by amended Regulations to be published in early 2014), whichever is the earlier. If five or more obligations have been entered into for a specific item of infrastructure since April 2010 and before the appropriate date then no more can be completed. If less than five have been completed prior to the date then the overall limit is a maximum of five.

7.2 Infrastructure which it is intended to fund partially or entirely from CIL needs to be identified in a list which will be produced to accompany the Draft Charging Schedule. (Section 123 list– see paragraph 8.1 below). No item of infrastructure included on the list can be funded from planning obligations.

7.3 The Government is intending to limit the number of agreements which can be entered into under S278 of the Highways Act for a specific item of highway infrastructure in the same way as S106 agreements by amended Regulations in early 2014.
8 HOW WILL CIL BE SPENT – REGULATION 123 LIST

8.1 Separate from the Charging Schedule the Council will produce, maintain and update a list of infrastructure projects that it intends to fund from CIL. The contents of the list will be drawn from the Infrastructure Delivery Plan and the first version of it will accompany the Draft Charging Schedule. It will be updated regularly as projects are delivered, new projects are identified and priorities change.

8.2 A proportion of CIL receipts are required to be passed to Parish/Town Councils where development is taking place. The requirement is for 15% of receipts collected in a Parished area to be passed on and this figure increases to 25% where a Parish/Town Council has an adopted Neighbourhood Plan.

8.3 The District Council can use CIL receipts for the purposes of providing, improving, replacing, operating and maintaining infrastructure. It can also pass funds to other bodies, e.g. Staffordshire County Council, for the same purposes. Parishes/Town Councils have a wider remit for spending their CIL receipts to include “anything else that is concerned with addressing the demands that development places on an area”.

9 PAYMENT PROCESSES AND EXCEPTIONAL CIRCUMSTANCES

9.1 CIL liability is calculated in £s per square metre applied to the gross internal floorspace created minus the gross internal floorspace of any existing buildings to be demolished provided that these buildings have been in continuous use for at least 6 of the previous 12 months.

9.2 The chargeable rate is also subject to an annually updated index of inflation using the national All-In Tender Price Index of Construction Costs published by the Royal Institute of Chartered Surveyors.

9.3 Payment is due when development commences for which permission was granted after adoption of the Charging Schedule. Full payment is normally due within 60 days but the Council has the discretion to offer the option of paying by instalments.

9.4 An alternative to cash payment can be offered in the form of land, where the Council considers this to be an appropriate means of supporting delivery of infrastructure. This process involves obtaining an independent valuation to ensure that the land value is equivalent to the alternative cash payment.

9.5 At a national level, affordable housing and developments to be used wholly or mainly for charitable purposes are not liable to pay CIL. Locally at the Council's discretion, relief from CIL can be offered where the costs of complying with a S106 agreement are greater than the CIL charge and to pay the full charge would have an unacceptable impact on the viability of development. The Council will consider whether to include this discretionary relief process as part of the formal adoption procedure.
HOW TO RESPOND TO THIS CONSULTATION

All comments should be forwarded by the 10th January 2014 to:

Planning Policy Manager, Cannock Chase Council, Civic Centre, PO Box 28, Beecroft Road, Cannock, Staffs WS11 1BG

Or via email to planningpolicy@cannockchasedc.gov.uk

Following consideration of comments received the Council will work towards publishing its Draft Charging Schedule (anticipated in spring 2014). This will be subject to further consultation before being submitted for examination by an Independent Inspector (with examination anticipated to take place in autumn 2014).

In submitting your response you may wish to consider and provide feedback on the following key issues:

1. Do you have any comments regarding the viability evidence prepared to support the Preliminary Draft Charging Schedule?

2. Do you have any comments regarding the Infrastructure Delivery Plan evidence used to support the Preliminary Draft Charging Schedule?

3. Do you have any comments on the broad categories of infrastructure proposed to be funded by CIL?

4. Do you have any views on whether or not the Council should have an ‘instalments policy’ for the payment of CIL charges i.e. larger schemes being able to phase payments alongside the phasing plans of the development?

5. Do you have any views on whether or not the Council should have a ‘discretionary relief policy’ (see paragraph 9.5)?
1 Purpose of Report

1.1 To consider the DfT Consultation on a Draft National Policy Statement for the National Road and Rail Networks (NN NPS), December 2013 and to respond by 26 February 2014.

2 Recommendations

2.1 That the DfT be informed that the Council broadly supports the draft NN NPS, in terms of additional investment in the rail network, the transfer of freight from road to rail including the development of a network of Strategic Rail Freight Interchanges and continued investment in road infrastructure including existing routes and pinchpoints but not the construction of new road alignments and links.

2.2 That the draft response to the consultation questions detailed in Annex 1 be approved and submitted to the DfT by 26 February 2014.

3 Key Issues and Reasons for Recommendation

3.1 The Government recognise that transport is “an engine for growth” and that well-connected road and rail networks are important to meet long term needs and support a prosperous economy.

3.2 The NN NPS identifies the draft Government policy as:-

- **Roads** – to reduce congestion and unreliability by improving and enhancing the existing national road network including the provision of some new road
alignments and corresponding links will be needed.

**Comment** – Support is given in principle for future improvements to the A5 Trunk Road including the Churchbridge junction. The construction of new strategic roads is not supported as previous reports and most significantly the Standing Advisory Committee on Trunk Road Assessment, 1994, have shown this to be a failed policy as it is not physically possible or indeed acceptable on environmental grounds, to build road capacity to meet demand. The future of the M6Toll should also be reviewed in terms of its ownership and tolling regime.

- **Rail** – to improve the capacity, capability and reliability of the rail network at key locations for both passenger and freight movements to improve journey times and to maintain or improve operational performance. New or re-opened alignments to improve capacity, speed, connectivity and reliability should be considered.

**Comment** – The recognition of the need to improve the capacity, capability and reliability of the rail network is fully supported. 30% of all am peak journeys into Birmingham City Centre are now made by rail and this trend needs to be encouraged, if not accelerated, including reducing the costs of rail travel. In the Cannock Chase District, there is an urgent need for funding to deliver the Chase Line, Walsall-Rugeley linespeed improvement, restoration of a half-hourly off-peak service, new inter-urban services and continued investment in station facilities, particularly after electrification in December 2017.

- **Strategic Rail Freight Interchanges** – to support the transfer of freight from road to rail and facilitate sustainable rail freight growth. There is a need for an expanded network of SRFIs to serve regional, sub-regional and cross-regional markets providing good connectivity with both the road and rail network. These will be private sector led.

**Comment** - The Council has already given its support for such initiatives and fully supports the development of a sub-regional facility at the Pentalver Mid Cannock site. However, as the NN NPS requires all applications for strategic rail freight interchanges to include warehouses to which goods can be delivered from the railway network, Mid-Cannock would not be capable of being classified as a SRFI.

Rail freight produces 70% less CO2 than road freight, up to fifteen times lower NOx emissions and nearly 90% lower PM10 emissions. It also has decongestion benefits – depending on its load, each freight train can remove between 43 and 77 HGVs from the road.

4 **Relationship to Corporate Priorities**

4.1 This report supports the Council’s Corporate Priorities as follows:-
Securing improvements to the strategic road network and Chase Line rail service accords with the priority outcomes with respect to promoting People – Active and Healthy Lifestyles; Place-Improved Living Environment through promoting a

5 Report Detail

5.1 Government National Policy Statements set out the need for new or expanded infrastructure and detailed guidance on how impacts of developments are to be assessed and impacts mitigated setting out the Government’s policies. They are intended to provide clarity and certainty for scheme promoters and remove the need for long planning inquiries. They also have to undergo public consultation and Parliamentary scrutiny.

5.2 There are 12 designated or proposed National Policy Statements, setting out Government policy on different types of national infrastructure development, which are:-

**Energy NPSs** (Produced by Dep’t for Energy and Climate Change (DECC).
- Overarching energy
- Renewable energy
- Fossil Fuels
- Oil and Gas Supply and Storage
- Electricity Networks
- Nuclear Power

**Transport NPSs**
- Ports
- **Transport Networks (including rail and roads)**- THIS REPORT
- Aviation

**Water, waste water and waste NPSs**
- Water Supply
- Hazardous Waste
- Waste Water Treatment

5.3 The National Networks National Policy Statement (NN NPS) set out the Government’s vision and approach to development of nationally significant infrastructure projects on the road and rail networks in England, including the development of strategic rail freight interchanges. The thresholds are defined in the Planning Act 2008 as amended in 2013. HS2 is not covered by NN NPS.

5.4 The Government considers that there is a compelling need for developing the national road and rail networks and of strategic rail freight interchanges. Transport is as an engine for growth and the need for well-connected and high performing networks with sufficient capacity are seen as vital to meet the country’s long- term needs and support a prosperous economy.

5.5 The NN NPS key vision and strategic objectives for the national Networks statement is detailed below:-
Government's vision and strategic objectives for the national Networks

The Government will deliver national networks that meet the country’s long-term needs; supporting a prosperous and competitive economy and improving overall quality of life, as part of a wider transport system. This means:

- Networks with the capacity and connectivity to support national and local economic activity and facilitate growth and create jobs
- Networks which support and improve journey quality, reliability and safety
- Networks which support the delivery of environmental goals and the move to a low carbon economy
- Networks which join up our communities and link effectively to each other.

5.6 The NN NPS predicts that increases in economic prosperity and population will increase the pressure on the networks even further. Road traffic is forecast to increase by 30% by 2030 and rail journeys by 40%, while rail freight has the potential to nearly double.

5.7 Areas of high growth, housing developments, new employment opportunities and development of other large infrastructure projects will impact on the use of the national networks. Without development, the networks will constrain sustainable economic growth, quality of life and wider environmental objectives.

5.8 Government’s policy is for a package of improvements and enhancements across the road and rail networks, targeting key pressure points.

5.9 Government’s policy is therefore:-

- **Roads** – reduce congestion and unreliability by improving and enhancing the existing national road network*. Some new road alignments and corresponding links will be needed.
  (* The National road network largely includes strategic routes, i.e. trunk roads and motorways).

- **Rail** – improve the capacity, capability and reliability of the rail network at key locations for both passenger and freight movements to improve journey times, and to maintain or improve operational performance. New or re-opened alignments to improve capacity, speed, connectivity and reliability should be considered.

- **Strategic Rail Freight Interchanges** – support the transfer of freight from road to rail and facilitate sustainable rail freight growth. There is a need for an expanded network of SRFIs to serve regional, sub-regional and cross-regional markets providing good connectivity with both the road and rail network. These will be private sector,

5.10 While the Government expects most schemes will be brought forward primarily for economic reasons, they will also seek to bring forward schemes to improve
safety, enhance the environment and improve accessibility for pedestrians and cyclists.

5.11 Wider Government policy is also to minimise environmental and social impacts and also address existing problems, to deliver environmental benefits, address existing environmental problems on the strategic road network, improve water quality and reduce flood risk.

6 Implications

6.1 Financial

There are no direct financial implications in the report.

6.2 Legal

There are no Legal implications arising from the report.

6.3 Human Resources

There are no human resource implications in the report.

6.4 Section 17 (Crime Prevention)

There are no Crime Preventions in the report.

6.5 Human Rights Act

No Human Rights Act implications.

6.6 Data Protection

None.

6.7 Risk Management

Failure to respond to the consultation would deny the Council the opportunity to influence Government transport policy.

6.8 Equality & Diversity

None.

6.9 Best Value

None.

7 Appendices to the Report

Appendix 1 Response
Previous Consideration

None.

Background Papers

Consultation on a Draft National Policy Statement for the National Road and Rail Networks. DfT, December 2013
Q1. Does the draft NN NPS clearly establish the need for development of the national networks? If not why not? (see Chapter 2 of the NN NPS)

R1. Yes but with qualifications as detailed below as it may not provide a sufficiently strong strategic steer to local authorities or scheme promoters.

Chapter 2/paragraph 2.8, sets out the Government Policy “for a significant and balanced package of improvements and enhancements across the road and rail networks targeting key pressure points...”.

With regards to the road network, part of this approach is supported in principle and mirrors the policy position followed over the last 10 years. Future measures to bring forward junction improvement schemes such as National and Local Pinchpoint, are supported together with capacity improvements to the existing primary and strategic road network, such as additional sections of dualling.

However, there are concerns on proposals for new roads and which do not reflect lessons from the past. A landmark report published by the Standing Advisory Committee on 'Trunk Roads and the Generation of Traffic' (SACTRA), 1994, received all party support and who’s conclusions were accepted by the DfT. This recognised that after four decades of attempting to build roads to meet capacity, this was a failed policy that was not achievable, as well as having unacceptable environmental consequences.

This report found that when a new road is built, new traffic will divert onto it. People made new trips they would otherwise not make and travelled longer distances because of the presence of a new road. This effect known as ‘induced traffic’, meant that the predicted congestion benefits of a new road were often quickly eroded. Traffic levels on bypassed roads can also rise faster than expected due to induced traffic, all of which means the hoped-for benefits of a new road can evaporate very quickly.

Inaccurate traffic forecasts and failure to allow for induced traffic, mean the benefits and costs of a new road are not accurately calculated.

During the planning stages of a road scheme, if induced traffic is not included properly, the full environmental impact of the scheme, for instance, carbon and noise levels, will be underestimated. By predicting a longer period of relief from congestion, underestimating induced traffic will further distort the benefit-cost ratio leading to false expectations of the economic returns of a road.

Local people will also have too high expectations for a road scheme if induced traffic is not included properly in forecasts. Even if induced traffic is forecast correctly, it will still cause damaging environmental impacts and extra congestion that make building big new road unsustainable.

Rail- The recognition of the need to improve the capacity, capability and reliability of the rail network is fully supported. 30% of all am peak journeys into Birmingham City Centre are now made by rail and this trend needs to be
encouraged, if not accelerated, including reducing the costs of rail travel. In the Cannock Chase District, there is an urgent need for funding to deliver the Chase Line, Walsall-Rugeley linespeed improvement, restoration of a half-hourly off-peak service, new inter-urban services and continued investment in station facilities, particularly after electrification in December 2017.

Government policy support for new and re-opened rail alignments is long overdue but must be backed up by meaningful funding from central Government and not left to local authorities to take the lead as per existing policy, ‘Reforming our railways’, DfT, March 2012. There are several potential reopenings in the Midlands that would provide many strategic benefits that would not lend themselves to be reopened as high speed routes on cost and engineering grounds. Several potential routes were identified in the Railtrack Network Management Statement 2000, which to date have not made any progress, such as Walsall-Lichfield, Matlock-Buxton and Stratford-Cheltenham/Oxford.

Strategic Rail Freight Interchanges (SRFIs)

The Council has already given its support for such initiatives and fully supports the development of such a sub-regional facility at the Pentalver Mid Cannock site. However, as the NN NPS requires all applications for strategic rail freight interchanges to include warehouses to which goods can be delivered from the railway network, Mid-Cannock would not be classified as a SRFI.

It is not without significance that The Panel Report on the West Midlands Regional Spatial Strategy P2 Revision, September 2009, had cause to comment:-

“5.25 It seems to us that it is axiomatic that an RLS should be rail-served if such facilities are to be encouraged in the interests of sustainable transport and that in relation to off-site road movements the key point to recognise is the relative lengths of travel by the different modes”. They also commented,

“we consider that the expectation that the full suggested 50 or more ha should be on a single site is both unnecessary and unrealistic.”

As currently worded, the section 4.78-85, does not encourage smaller or sub-regional rail freight facilities without on-site warehousing provision.

Q2. Does the draft NN NPS adequately explain the Government’s policy for addressing the need set out in the NN NPS? If not why not? (see Chapters 2 and 3 of the NN NPS)

Chapter 4 of the draft NN NPS sets out assessment principles and Chapter 5 sets out guidance on generic impacts.

R2. As above.

Q3. Do the Assessment Principles provide adequate guidance to the Secretary of State on how he should assess applications for developments of the national networks? If not why not? (see Chapter 4 of the NN NPS)
R3. The comment in 4.62 that, “safety is unlikely to be the main driver for development”, while technically correct, could be misleading if a decision had to be made between a competing new road verses additional investment in a new or upgraded railway. The safety record of rail over road is substantial.

There is a risk that paragraphs 4.78-4.79 of the NN NPS (full version) could encourage developers to occupy new warehouses at rail connected SFRI sites, with no intention of using rail, which would not achieve the modal change objective the NN NPS seeks to encourage.

Q4. Does the draft NN NPS give appropriate guidance to scheme promoters? If not why not? (see Chapter 5 of the NN NPS)

R4. Yes on Government Policy but not on accompanying measures, and particularly funding, to deliver future proposals.

Q5. Does the draft NN NPS consider all of the significant potential impacts of national network development? If not, what other impacts should be included and why? (see Chapters 4 and 5 of the NN NPS)

R5. It does not allow for comparison of road and rail schemes together in terms of favouring the most environmentally friendly or sustainable solution.

Q6. Does the draft NN NPS give appropriate guidance on appropriate mitigation measures? If not why not? (see Chapter 5 of the NN NPS)

R6. Yes.

Appraisal of Sustainability
The draft Appraisal of Sustainability document is at Annex B, C, D and E of this consultation document. A non-technical summary is at Annex F.

Q7. Do you have any comments on the Appraisal of Sustainability of the NN NPS?

Appropriate Assessment
The Appropriate Assessment under the Habitats Regulation is at Annex G.

R7. No.

Q8. Do you have any comments on the Appropriate Assessment on the draft NN NPS?

R8. No.

General

Q9. Please provide any further comments regarding any aspect of this consultation.

R9. No further comments.
1. **Purpose of Report**

1.1 To seek the views of the Committee on the proposed Assisted Areas Map 2014-2020, to enable the Cabinet Leader for Economic Development and Planning to agree the Council's formal response to the current consultation from BIS.

2. **Background**

2.1 Assisted Area status allows small businesses and large enterprises in less economically advantaged locations to benefit from additional levels of financial support under EU Regional Aid Guidelines. This support, within prescribed limits, can be offered to businesses to help them expand or innovate.

2.2 The current Assisted Areas Map, which became effective on 1 January 2007 excludes all wards within Cannock Chase District. Prior to that the Assisted Areas Map 2000-2007 identified Norton Canes ward as the sole eligible area within the District. Consequently, local businesses have been unable to access certain grant regimes for a number of years. The securing of Assisted Area Status, albeit for a small number of wards, would be a positive step and enable some of our local businesses to operate on a "more level playing field" than at present.

3. **The Proposed Assisted Areas Map 2014-2020**

3.1 When the Government launched its initial consultation on the new Assisted Areas Map in July 2013, it indicated that the outcome should be supportive of its ambition to rebalance the economy. It also sought to recognise the needs of existing businesses as well as the opportunity to encourage new business development.

3.2 The initial consultation also set out a series of common principles within which the designation of eligible areas would be considered. These included:-

- Increased use of locally provided intelligence.
• Understanding the geography of local economic opportunity and the scope to use this to address the needs of economically disadvantaged communities.

• Recognising the role of capital investment which is well suited to investing in manufacturing and its potential in rebalancing the local economy.

• Identifying a range of indicators to assess suitability for Assisted Area Status.

3.3 However, the Regional Aid Guidelines (RAG) which had already been agreed by the European Union before the consultation started had also established criteria which the Government would need to observe in the production of the Assisted Areas Map. The most significant was the requirement for Assisted Areas to have a minimum contiguous population of 100,000 people. This meant that wards within Cannock Chase District could only become Assisted Areas by forming a “bridgehead” linking to other wards, probably in the West Midlands conurbation. However, the RAG also stated that the maximum proportion of the UK population covered by the Assisted Areas would be 27.05%, compared to 23.9% covered in the 2007-2013 map. This raised the prospect that it might be possible to secure Assisted Area Status for part of the District, albeit it would rely upon a similar designation for wards immediately adjoining such as Brownhills in Walsall.

3.4 The consultation recommended that local authorities should work with their respective Local Enterprise Partnerships (LEPs) to make the case for Assisted Area Status.

3.5 As a consequence of the above officers engaged with both the Greater Birmingham & Solihull (GBS) LEP and the Stoke and Staffordshire (SS) LEP to prepare a proposal which would make the case for the inclusion of at least two wards in Cannock Chase District in the draft Assisted Areas Map using the following indicators:-

• Employment Rates
• Skills
• Working Age Benefits
• Jobs in Manufacturing

3.6 On the basis of the above it appeared that there was a good case for the inclusion of Cannock South and Norton Canes. Accordingly, these two wards were included in the Council’s submission to both the local LEPs who were asked to support their inclusion in their formal responses to BIS. The LEPs were also asked to consider including other wards within the District if they held statistical evidence which could justify their inclusion, subject to the population criteria identified in the RAG.
3.7 The GBSLEP were unable to include the Cannock Chase wards within their submission to BIS because there was no opportunity to link to eligible wards in Lichfield and Birmingham districts. However, the SSLEP included the two Cannock Chase wards in their submission to BIS and also listed Cannock East as one of ten “next highest priority” wards.

3.8 In December 2013 BIS issued the draft Assisted Areas Map and the Government’s response to the initial consultation. The draft Assisted Areas Map which has now been issued for consultation ending on 7 February 2014, includes Cannock South, Norton Canes and also Cannock East, which is an extremely positive position to have reached.

3.9 As noted above, Assisted Area Status allows businesses to access certain forms of financial support which can help them to expand, diversify or innovate. Since the advent of the LEPs the main example of such assistance is Regional Growth Fund (RGF) which can be used to support proposals which increase employment levels and raise productivity. In addition, the Enhanced Capital Allowances permitted at some Enterprise Zones, for example i54 in South Staffordshire, are reliant upon Assisted Area Status.

3.10 Regardless of which form of assistance is accessed through the eligibility afforded by Assisted Area Status, there is a limit to the level of financial support that can be given from the public purse by virtue of State Aid Regulations. Accordingly, the “intervention rate” within the current eligible wards is 15%, but when the new Map becomes operational on 1 July 2014, this rate will be limited to no more than 10%. Therefore, whilst the inclusion of Cannock East, Cannock South and Norton Canes in the Assisted Areas is to be warmly welcomed, it is unlikely to generate large numbers of enquiries from businesses in the three wards. Most interest is likely to be forthcoming from those businesses who are already considering major investment at their premises, which could include some of the District’s larger employers.

4. **Recommendation**

4.1 As a consequence of the above it is recommended that the Council should support the inclusion of the three wards within Cannock Chase District in the draft Assisted Areas Map and acknowledge the role of the SSLEP in achieving this positive position.